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beginning of a two-year election-cycle – a remarkably complex and nimble vetting and compliance system. This system met and surpassed the procedural requirements the Act and Commission regulations impose on the collection and processing of contributions. Most importantly, it ensured that the Committee did not knowingly accept contributions in excessive amounts.

The Complaint presents no evidence to suggest that the Committee did not act in full compliance with the Commission's requirements. Because the Complaint alleges no actual conduct by Respondents that violates a statute or regulation over which the Commission has jurisdiction, the Complaint is without legal merit and should be dismissed.

FACTUAL AND LEGAL ANALYSIS

A. Comprehensive Vetting and Compliance Procedures

Before the Committee launched its fundraising program, the Committee carefully developed and implemented comprehensive vetting and compliance procedures to ensure that it did not knowingly solicit, accept, or receive prohibited contributions. Pursuant to this system, and consistent with the Commission's regulations, campaign staff and outside vendors were tasked with examining all contributions to the Committee once they were received – whether online, through direct mail, in person, or otherwise – for "evidence of illegality and for ascertaining whether contributions received, when aggregated with other contributions from the same contributor, exceed[ed]" federal contribution limits. 11 C.F.R. § 103.3(b). Any contributions made to the Committee that were found to be excessive were promptly refunded in accordance with the Commission's regulations.

The Committee's compliance and vetting procedures included an extensive back-end process to ensure it caught and refunded any excessive or otherwise unlawful contributions. As the volume of contributions to the Committee increased during the course of the campaign, the Committee continuously adjusted its vetting and compliance procedures to adapt to the increased volume. At regular intervals, the Committee conducted automated searches of its donor database – including all contributions, whether raised online or not – to identify any excessive donations. Contributions from repeat donors were examined to ensure that the total amount received from a single donor did not exceed the contribution limits.

After President Obama secured the Democratic nomination, the Obama Victory Fund was established as a joint fundraising committee for the Committee and the Democratic National Committee. Pursuant to the Commission's regulations, contributions received by the Obama Victory Fund were then allocated to the Committee and the Democratic National Committee. See 11 C.F.R. § 102.17. Using its comprehensive compliance and vetting procedures, the Committee examined each contribution received from the Obama Victory Fund to ensure that it

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was not excessive or otherwise unlawful. Any excessive or unlawful contributions transferred from the Obama Victory Fund were promptly refunded in accordance with the Commission's regulations. The Complaint presents no evidence to suggest that the Committee did not comply at all times with the Commission's regulations, or that it ever knowingly solicited, accepted, or received excessive contributions.

B. Resolution of Excessive Contributions Cited in Complaint

The Complaint alleges that the Committee accepted excessive contributions from 20 individuals. In each case, the Committee has refunded the excessive contribution or contributions at issue in a manner consistent with the Commission's regulations. Any excessive contributions were refunded prior to the Committee receiving the Complaint. The table attached as Exhibit A includes the date of the contribution, the contribution amount, the date of the refund, and the refund amount.

Given the unprecedented scope of the Committee's fundraising, Complainant speculates that the Committee must have acted in violation of federal law, and calls for further investigation of the Committee's finances and reporting. Yet unwarranted legal conclusions from asserted facts or mere speculation will not be accepted as true, and provide no independent basis for investigation. See Commissioners Mason, Sandstrom, Smith and Thomas, Statement of Reasons, MIUR 4960 (Dec. 21, 2001).

The Committee's comprehensive vetting and compliance procedures speak for themselves. Not only has the Committee complied with federal law, but it has far surpassed what is required by the Act and the regulations. In every case, the Committee has used best efforts to ensure its full compliance with the Commission's requirements. The Committee has fully addressed each of the specific contributions cited in the Complaint, and the Complainant presents no evidence to further support her allegations against the Committee.

For the foregoing reasons, Respondents respectfully request that the Commission dismiss the Complaint and take no further action.

Very truly yours,


Robert F. Bauer
Rebecca Gordon

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